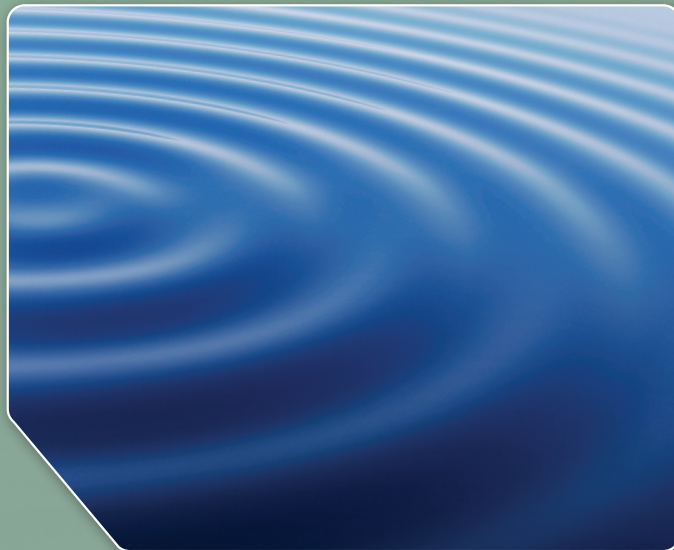




2009 DWSRF AWARDS

FOR SUSTAINABLE PUBLIC HEALTH PROTECTION





Since the inception of the Drinking Water State Revolving Fund (DWSRF), states have shown exceptional creativity in managing their programs in ways that promote sustainability and protect public health. The 2009 DWSRF Awards for Sustainable Public Health Protection recognize the most innovative and effective DWSRF state programs that further the goal of clean and safe water through exceptional planning, management, and finance.

Each regional office could nominate one DWSRF state program for the Award. The ten state SRF programs were nominated by the regional offices based upon the following criteria:

- Minimum cumulative pace level of 80 percent through the last fiscal year
- Financial integrity: audits and regional reviews concluded that the state program does not have any serious financial or programmatic problems

Each nominee also had to demonstrate outstanding performance and leadership in two or more of the following criteria:

- Creative use of set-asides
- Best Management Practices
 - Asset Management
 - Environmental Management Systems
 - Public Private Partnerships
- Innovative partnerships
- Effective outreach
- Leveraging practices
- Exceeding American Recovery and Reinvestment Act (ARRA) requirements

Winners were recognized at the national meeting of the Council of Infrastructure Financing Authorities (CIFA) in Seattle on November 3, 2009. The nomination materials will be shared with all EPA regional offices to highlight examples of creative activities being carried out across the country.

The DWSRF program is pleased to share the winners of the 2009 Awards for Sustainable Public Health Protection.

REGION 1

**MAINE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND
MAINE MUNICIPAL BOND BANK**

Innovative partnerships play a central role in Maine's DWSRF Program. The Maine Department of Health and Human Services and the Maine Municipal Bond Bank work closely with assistance recipients and actively encourage partnerships to achieve the most cost-efficient drinking water solutions. The Program's team-centered approach has made it a national leader in meeting ARRA requirements: all of its ARRA funded projects are under contract or construction and have signed loan agreements.

Innovation is demonstrated by the collaboration between the water utilities of Lewiston and Auburn

as they seek to meet the public health requirements of the 2006 amendments to the SDWA. For example, after conducting an evaluation of available options to comply with new requirements for disinfection, the two utilities agreed that adding UV reactors at the Lake Auburn Intake and Treatment Facility would be the best short- and long-term option to economically and sustainably ensure safe drinking water and public health. The resulting project is supported by ARRA funding and is being designed and constructed to receive Leadership in Energy and Environmental Design (LEED) certification.

REGION 3

**MARYLAND DEPARTMENT OF ENVIRONMENT WATER QUALITY
FINANCE ADMINISTRATION**

The Maryland Department of Environment's (MDE) Water Quality Finance Administration (WQFA) uses the DWSRF to finance projects that protect public health and support sustainability and water efficiency. In an effort to address the threat of drought and achieve long-term water system sustainability, the Maryland DWSRF has increasingly focused on water conservation. In order to be eligible for a WQFA loan, all water systems must submit a water audit. Water conservation plans are also required for water systems that serve a population greater than 10,000 and those that serve a population greater than 500 with water losses exceeding 10 percent.

WQFA is also successfully managing DWSRF-ARRA funds through outreach and marketing and the expansion of subsidies to eligible applicants with Green Project Reserve (GPR) projects. As part of

its ARRA outreach, WQFA conducted a Financing Conference in November 2008 to explain the SRF application process for financial assistance, and also held a series of conference calls to assist new assistance recipients in complying with ARRA requirements.

Two projects in particular demonstrate WQFA's successful use of ARRA funds for projects that would not otherwise have been funded: a major water efficiency project in Baltimore will replace inefficient water fixtures in public buildings with low-flow devices, and Rhodes Point, a 40-home community on Smith Island served by an antiquated water system, will no longer need to rely on the American Red Cross or bottled water. With ARRA funds, WQFA was able to help one community save water and another to correct a urgent water supply problem.

REGION 4

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

The Florida DWSRF program is notable for its use of partnerships to enhance its outreach efforts and project funding process. It has worked closely with the CWSRF program and the Florida Rural Water Association (FRWA) to offer workshops and courses that provide SRF training to local government officials and consultants, and a 2009 workshop featured extensive updates on the base program and ARRA requirements. Additionally, by partnering with FRWA's Interim Loan Program, the Florida DWSRF is able to get projects under construction before DWSRF funds are available. With a letter provided by the Program committing to funding projects in future years, banks can offer affordable bridge loans

to finance project construction until DWSRF funds are available.

Florida also takes a proactive approach to public health protection by conserving and protecting drinking water supplies. The DWSRF program is creatively using set-aside funding for source water protection activities to update a water-balance computer model used to design and evaluate wastewater reuse systems. Reuse protects drinking water sources by reducing demands on valuable surface and groundwater that is used as a drinking water source.



REGION 5

WISCONSIN DEPARTMENT OF NATURAL RESOURCES AND
WISCONSIN DEPARTMENT OF ADMINISTRATION

The Wisconsin Department of Natural Resources (WDNR) is making creative use of set-asides to advance DWSRF program priorities. WDNR used Wellhead/Source Water Protection set-aside funds to initiate a research project that will provide data to support changes to current wastewater treatment and disposal practices that negatively impact municipal wells. WDNR will also sponsor three workshops to provide training to teachers to enhance, develop, and sustain water education efforts in Wisconsin K-12 schools in an effort to

increase water literacy and engage the public in sustainable water resources practices.

Additionally, WDNR is targeting Green Project Reserve (GPR) projects that include energy and water efficiency improvements. Of all the projects that applied for ARRA funding, WDNR identified 38 that were eligible, in whole or in part, for the GPR. ARRA funding that is allocated to these projects is nearly 36 percent of the Program's ARRA grant.

REGION 6**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY AND
OKLAHOMA WATER RESOURCES BOARD**

The Oklahoma DWSRF program, administered by the Oklahoma Department of Environmental Quality (ODEQ) and the Oklahoma Water Resources Board (OWRB), is helping small water systems through its innovative use of set-asides. ODEQ developed an Engineering Plan and Design Grant (EPDG) Program, funded by the Program Management and Local Assistance set-asides, to provide assistance to drinking water systems serving populations of 10,000 or less. EPDG applicants are ranked using the existing DWSRF Priority System, and funds are awarded quarterly to applicants with the highest priority points. EPDG will make it easier for small

and disadvantaged water systems to plan and design drinking water projects.

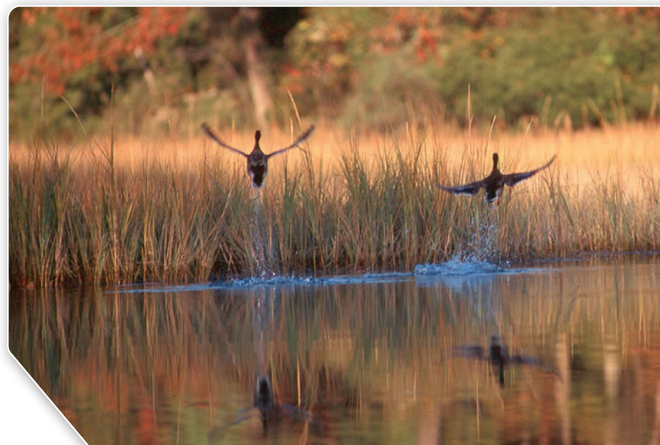
ODEQ is also demonstrating its commitment to sustainability by significantly exceeding the 20 percent requirement in ARRA for the Green Project Reserve (GPR). The DWSRF program has sufficient eligible GPR projects on its Intended Use Plan to exceed the GPR requirement by 16 percent. ODEQ has achieved this success by actively soliciting projects and establishing a target of 30 percent principal forgiveness for GPR projects.

REGION 7**NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES AND
NEBRASKA DEPARTMENT OF ENVIRONMENTAL QUALITY**

The Nebraska Department of Health and Human Services and Department of Environmental Quality use outreach efforts to maximize the effectiveness of the DWSRF program. DWSRF stakeholder meetings are held throughout the state to provide status updates and solicit information to fine-tune the Program's direction. The Program also works closely with individual systems, especially for projects considered high priority due to their public health benefits. Systems submit engineering reports to the Water and Wastewater Advisory Committee, which reviews applications to determine the best sources of funding as well as opportunities to streamline the environmental review process and increase funding through partnerships. Once a project is identified

for DWSRF funding, follow-up meetings with community leaders are held to clarify requirements in developing funding agreements.

Nebraska is also successfully focusing on water efficiency projects, as demonstrated by its Green Project Reserve Water Efficiency fundable list. To attract assistance recipients, principal forgiveness was doubled for meter projects and capped at 50 percent. As a result, ARRA funds allocated for GPR projects are approximately 25 percent of Nebraska's total ARRA funding. All of the Nebraska's GPR projects are scheduled to complete construction by mid-2010.



REGION 8

WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY, WYOMING WATER DEVELOPMENT OFFICE AND WYOMING OFFICE OF STATE LANDS AND INVESTMENT

The Office of State Lands and Investment, the Wyoming Department of Environmental Quality, and the Wyoming Water Development Office are going above and beyond ARRA requirements. Wyoming set a goal of allocating 23 percent of the ARRA grant towards Green Project Reserve (GPR) projects and expects to exceed that goal and use a total of 26 percent of their ARRA funds for GPR projects.

To help achieve its DWSRF program goals and comply with ARRA requirements, Wyoming has

conducted significant outreach efforts. The Program has held four Board meetings since May 2009 for communities wishing to apply for ARRA dollars to fund both conventional drinking water and GPR projects. It also offered an April 2009 video conference workshop with 20 locations state-wide, providing communities the opportunity to learn more about ARRA funding requirements.

REGION 9

ARIZONA WATER INFRASTRUCTURE FINANCE AUTHORITY

The Water Infrastructure Finance Authority (WIFA) of Arizona uses innovative partnerships to conduct effective outreach and fund drinking water projects. WIFA provides information about infrastructure funding options and technical assistance to small rural communities through the Rural Water Infrastructure Committee (RWIC). RWIC routinely holds project information meetings throughout the state, and it recently added a message board to the RWIC Web site to facilitate sharing of project-specific information among committee members. The Yuma Colonias B & C project is an example of successful RWIC collaboration. The project is receiving co-funding through WIFA, the USDA Rural Development Utilities Program (RDUP), Border Environmental Cooperation Commission (BECC), and the North

American Development Bank (NADB). It will connect the Avenue B & C Colonias Improvement District to the City of Yuma water pollution control facility and bring much needed sewer service to the area.

WIFA is also advancing the Green Project Reserve (GPR) goals of ARRA by providing additional incentives for green projects. WIFA waived the local match requirement for "green/sustainable" pre-design and design projects to encourage incorporation of green concepts in projects financed by WIFA. This policy increases the attractiveness of planning and financing green projects, and allows small disadvantaged communities to examine green design options that may not have been feasible otherwise.

REGION 10

IDAHO DEPARTMENT OF ENVIRONMENTAL QUALITY

The Idaho Department of Environmental Quality has greatly improved Idaho's DWSRF program performance. After several years of difficulty securing sufficient binding commitments, Idaho now has one of the top loan commitment rates in Region 10. The Program's revision of criteria for disadvantaged assistance made it easier for struggling communities to qualify for extra subsidies to fund important drinking water projects.

Idaho was also the only Region 10 state that met the goal of having at least 50 percent of its DWSRF-

ARRA funds committed to projects that were under contract or construction by June 17, 2009. A \$12.2 million ARRA loan with the Central Shoshone County Water District will correct a long-standing problem with the Enaville Well in Kellogg, Idaho. The loan includes 50 percent principal forgiveness and will pay for residential metering and installation of a microfiltration plant to treat drinking water. The funds used for principal forgiveness help Idaho meet the ARRA additional subsidization requirement, while the funds used for metering count toward the ARRA Green Project Reserve (GPR) requirement.





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